

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

STEPHEN SPEREGEN,
Plaintiff,
v.
SOUTHERN GLAZER'S WINE AND
SPIRITS LLC, *et al.*,
Defendants.

Case No. 2:24-cv-07198-FLA (BFMx)

**CORRECTED ORDER REMANDING
ACTION FOR LACK OF SUBJECT
MATTER JURISDICTION [DKT. 33]
AND ORDER VACATING MARCH
31, 2025 ORDER [DKT. 35]¹**

¹ The March 31, 2025 Order, Dkt. 35, was issued erroneously and is hereby
VACATED.

1 Federal courts are courts of “limited jurisdiction,” possessing “only that power
2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. District courts are
4 presumed to lack jurisdiction unless the contrary appears affirmatively from the
5 record. *See DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006).
6 Additionally, federal courts have an obligation to examine jurisdiction *sua sponte*
7 before proceeding to the merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526
8 U.S. 574, 583 (1999).

9 Most commonly, federal courts have subject matter jurisdiction where: (1) an
10 action arises under federal law (federal question jurisdiction), 28 U.S.C. § 1331; or (2)
11 the amount in controversy exceeds \$75,000, exclusive of interest and costs, and the
12 citizenship of each plaintiff is diverse from that of each defendant (diversity
13 jurisdiction), 28 U.S.C. § 1332(a). Except as otherwise provided by an act of
14 Congress expressly, “any civil action brought in a State court of which the district
15 courts of the United States have original jurisdiction[] may be removed by the
16 defendant or the defendants” to the district court for the district and division where the
17 action is pending. 28 U.S.C. § 1441.

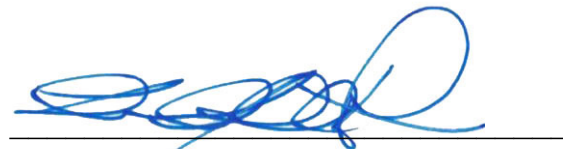
18 A defendant’s notice of removal must include “a plausible allegation that the
19 amount in controversy exceeds the jurisdictional threshold.” *Dart Cherokee Basin*
20 *Operating Co. v. Owens*, 574 U.S. 81, 89 (2014). “[W]hen the plaintiff contests, or
21 the court questions, the defendant’s allegation,” “both sides [must] submit proof,” at
22 which point “the court decides, by a preponderance of the evidence, whether the
23 amount-in-controversy requirement has been satisfied.” *Id.* at 88–89. Courts “strictly
24 construe the removal statute against removal jurisdiction,” and “[f]ederal jurisdiction
25 must be rejected if there is any doubt as to the right of removal in the first instance.”
26 *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). “The ‘strong presumption’
27 against removal jurisdiction means that the defendant always has the burden of
28 establishing that removal is proper.” *Id.*

1 On February 21, 2025, the court issued an Order to Show Cause (“OSC”) why
2 the action should not be remanded for lack of subject matter jurisdiction due to an
3 insufficient amount in controversy. Dkt. 33. The court provided the parties fourteen
4 days to respond and cautioned Defendant Southern Glazer’s Wine and Spirits LLC
5 (“Defendant”) that, as the party asserting federal jurisdiction, its “failure to respond
6 timely and adequately to [the OSC] shall result in the remand of the action without
7 further notice.” *Id.* at 3. Defendant did not file a response to the court’s OSC. This,
8 in and of itself, is a sufficient basis to remand the action. *See id.*

9 Furthermore, Defendant fails to meet its burden to establish that removal is
10 proper. As stated in the OSC, the court has reviewed the Notice of Removal and is
11 unable to conclude the amount in controversy is satisfied and that diversity
12 jurisdiction exists here. The court, therefore, REMANDS the action to the Los
13 Angeles County Superior Court, Case No. 24VECV02749. All dates and deadlines in
14 this court are VACATED. The clerk of the court shall close the action
15 administratively.

16
17 IT IS SO ORDERED.

18
19 Dated: April 3, 2025



FERNANDO L. AENLLE-ROCHA
United States District Judge